

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.,

Debtors.

Chapter 11

Case No. 01-01139 (JKF)

(Jointly Administered)

**STATEMENT OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
REGARDING DISCLOSURES OF FACT AND EXPERT WITNESSES
FOR PHASE I ESTIMATION PROCEEDINGS**

The Prudential Insurance Company of America (“Prudential”), by and through its co-counsel Riker, Danzig, Scherer, Hyland & Perretti LLP and Jaspan Schlesinger Hoffman LLP, and in connection with the Case Management Order for the Estimation of Asbestos Property Damage Liabilities dated August 29, 2005 (the “PD CMO”), hereby state as follows:

1. Prudential reserves the right to participate in Phase I of the PD Estimation (as defined in the PD CMO). Prudential may call at trial any expert or fact witness(es) identified by Liaison Counsel (as defined in the PD CMO) and may rely upon any expert reports as submitted by Liaison Counsel.

2. The Debtors W.R. Grace & Co., et al. (collectively, the “Debtors”) have failed to clarify the timing of a hearing in connection with the Debtors’ Fifteenth Omnibus Objection (Substantive) to Asbestos Property Damage Claims (the “Omnibus Objection”).¹ To the extent that the Debtors seek to have any aspect of the Omnibus Objection heard concurrent with the PD

¹ Following the Debtors’ November 14, 2005, omnibus hearing, the Debtors were to submit a proposed order scheduling hearing dates for the Omnibus Objection. Upon information and belief, the Debtors have not yet submitted such proposed order.

Estimation, Prudential reserves the right to respond and to utilize the appropriate witnesses and reports in response including, but not limited to, those fact and expert witnesses identified in Prudential's Initial Disclosure of Fact and Expert Witnesses Anticipated for Phase II Estimation Proceedings served on the Debtors on October 3, 2005, as well as any fact or expert witnesses, or expert reports, previously identified in Prudential's timely-filed proofs of claim against the Debtors, Prudential's timely-filed response to the Omnibus Objection, or such witnesses and reports as may have been previously provided by Prudential to the Debtors in connection with the prepetition litigation of Prudential's claims against the Debtors.

3. Prudential makes no representations regarding the address or availability of any of the above-referenced witnesses. Prudential reserves the right to substitute witnesses, and/or designate deposition testimony, affidavits, and/or certifications of witnesses in the event any of the above-referenced witnesses becomes unavailable.

4. Prudential reserves the right to call witnesses and designate deposition testimony, affidavits, and/or certifications of witnesses in rebuttal to any witnesses called, or documents introduced into evidence, by the Debtors.

5. Prudential reserves the right to call witnesses or designate deposition testimony, affidavits, and/or certifications of witnesses in rebuttal to any affirmative defense or contention raised by the Debtors.

6. Prudential reserves the right to call witnesses or designate testimony from any deposition transcript designated by the Debtors.

7. Prudential reserves the right to call witnesses or designate deposition testimony, affidavits, and/or certifications of witnesses to introduce any document which is challenged by the Debtors, including challenges based on authenticity.

8. Prudential reserves the right to call witnesses listed on any other party's witness list.

December 8, 2005
Wilmington, Delaware

/s/ Frederick B. Rosner
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-and-

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